

SENATE BILL 437

By Rose

AN ACT to amend Tennessee Code Annotated, Section 67-6-209, relative to sales and use taxes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-6-209(b), is amended by redesignating the existing language as subdivision (b)(1) and adding the following as a new subdivision (b)(2):

(2) Where a contractor or subcontractor defined in this chapter as a dealer uses tangible personal property in the performance of the contract, or to fulfill contract or subcontract obligations, whether the title to the property be in the contractor, subcontractor, contractee, subcontractee, or any other person, or whether the title holder of the property would be subject to pay the sales or use tax, except where the title holder is a local education agency (LEA) and the tangible personal property is for construction or maintenance needs of the LEA, the contractor or subcontractor shall pay a tax at the rate prescribed by § 67-6-203 measured by the purchase price of the property, unless the property has been previously subjected to a sales or use tax, and the tax due on the property has been paid.

SECTION 2. This act takes effect July 1, 2021, the public welfare requiring it.